

Everywhere and Now Public Housing Residents Organizing Nationally Together (ENPHRONT)

**Testimony by Joan Walker Frasier (on behalf of Ed Williams, President)
on
House Resolution 3995 – the Housing Affordability for America Act of 2002
U.S. House Subcommittee on Housing and Community Opportunity**

April 23, 2002

Goodafternoon: My name is Joan Walker Frasier. I'm a resident of public housing in Atlantic City, New Jersey and also a state delegate for the national organization of public housing residents, ENPHRONT. I'm testifying this afternoon on behalf of Ed Williams, President of the organization.

ENPHRONT has several concerns about House Resolution 3995. In general, these concerns pertain to provisions of the bill that, if enacted into law, would weaken residents' role in shaping local housing agency policy. They include a provision in the bill relating to residents serving on housing agency governing boards as well as a provision that would exempt small Public Housing Agencies from the annual plan requirement. We also have ideas to share regarding HUD's HOPE VI program and the recently suspended 8-hour Community Service requirement, enacted as part of the Quality Housing and Work Responsibility Act of 1998.

Residents on PHA Governing Boards

ENPHRONT believes that the basis for well-run public housing is not only sound brick and mortar, but also deep, sustained and meaningful participation by residents in all aspects of a housing agency's operations.

To this end, ENPHRONT strongly opposes the provision in HR 3995 that would waive the requirement that PHAs appoint persons assisted by the agency to their governing boards if, upon demonstrating best efforts to do so, they fail to comply. When the Resident Commissioner mandate was enacted in 1998, residents, nationwide, celebrated. The requirement marked a fundamental shift from the federal government's earlier policy of simply encouraging housing agencies to appoint assisted persons to their governing boards. The requirement was also thought to be a necessity, given the fact that the nation's 3,200 housing agencies had been deregulated through the same Public Housing Reform Act that ushered it into being.

In recent years, as the number of residents serving on PHA governing boards has soared, ENPHRONT has observed, firsthand, the significant value of Resident Commissioners. Resident Commissioners have often helped to build trust between PHA administrators

and residents in environments once mired by bias and conflict. Resident Commissioners have also injected into housing agency policy valuable insight that can only come from a life thoroughly accented by the public housing or voucher holder experience. Resident Commissioners have helped housing agencies to run better. They have helped to make public housing more than just about property. They have made public housing about people as well.

That HR 3995 would now seek to waive the Resident Commissioner requirement in some circumstances is wrong and unnecessary. Housing agencies have already been granted significant regulatory relief from the requirement. First, under current law, housing agencies can be exempted from the requirement if they, first, satisfy a few basic conditions. Second, when HUD first released its proposed rule on PHA organization in June of 1999, the draft rule required that PHAs appoint to their governing boards persons assisted by their agencies, and to do so within a set time frame. Housing agencies and others immediately railed against the implementation schedule of the requirement, citing the complexity of navigating local political environments as the reason for not being able to appoint Resident Commissioners within a set timeframe. In response, HUD later promulgated a final rule allowing housing agencies to appoint resident commissioners “as soon as possible.” Though the mandate remained intact, it allowed the nation’s housing agencies to move at different speeds in complying with the requirement. It’s been over 3 years since the enactment of the law on Resident Commissioners. ENPHRONT believes that, by now, the majority of the nation’s housing agencies should have done all necessary to make residents serving on governing boards a reality.

Public Housing Agency Plans

ENPHRONT also opposes the provision in HR 3995 that would exempt small Public Housing Agencies from having to submit annual plans for the next 3 Fiscal Years.

As you know, the annual plan requirement, like the Resident Commissioner requirement, came into being with the enactment of the Quality Housing and Work Responsibility Act of 1998 (also known as QHWRA). When Congress, through QHWRA, substantially deregulated the nation’s public housing agencies, it envisioned the annual and 5-year planning process to be a vehicle for holding local housing agencies accountable to the federal government and local communities. It also envisioned housing agency plans and their supporting documents to be a library of information from which residents and the general public would learn about the mechanics of how their public housing agency functioned.

Though residents and advocates throughout the country did rally against many of the harsher elements of deregulation contained in QHWRA, we supported elements of the statute that provided enhanced avenues for residents to participate in shaping the mission and policies of local housing agencies. Such elements included the provisions on Resident Commissioners and PHA Plans. With deregulation, public housing residents were concerned, yes, but with these enhanced resident participation requirements, we were, at the same time, hopeful, that we could stand shoulder to shoulder with housing

authorities in a shifting regulatory environment. HR 3995 threatens to dash these hopes. If the provision of the bill on PHA plans were enacted into law, residents would have no comprehensive avenue for shaping PHA policy.

Our concerns on this matter are substantiated by research conducted by ENPHRONT, in collaboration with the Center for Community Change, a national not-for-profit organization. In a research report titled *Not Part of the Plan*, we explore the extent to which 10 housing agencies involved residents in the PHA Plan process during the first year that Agency Plans were required. Among the findings was that PHAs failed to comply with even the basic of requirements, such as making copies of the agency's most recently approved operating budget available for public inspection. It's our sense that this act of non-compliance with federal law stems not from a heavy regulatory burden, but, instead, from a resistance to changing the culture of how residents and PHAs relate.

In large part, ENPHRONT questions the need for a waiver provision. Under current law, the HUD Secretary already has the power to streamline the planning process for small PHAs. Why eclipse this provision and the thinking behind it with a 3-year waiver provision?

Indeed, ENPHRONT does oppose the waiving of the annual plan requirement for small PHAs. But on the other hand, we would be willing to discuss ideas for further simplifying the process. In discussing these ideas, it is imperative that talks not result in the stripping away or watering down of the core resident participation handles currently in place. These handles include the Resident Commissioner mandate and the requirement that housing agencies establish and provide support for Resident Advisory Boards (RABs).

We also believe that there are ways that both small and large housing agencies can beef up resident participation activities without relying heavily on the annual plan process. The vehicle for this would be an aggressive implementation by housing authorities of the activities required under HUD's regulation on Resident Participation, also known as 964. The 964 regulation, promulgated in 1994, requires residents to be involved in all aspects of setting a housing agency's mission and operations. It requires housing agencies to provide residents and resident council leaders with training on agency budgets and capital programs. It also requires that PHAs meet with residents routinely to discuss problems and ideas. Finally, 964 states that housing agencies must provide residents and resident council leaders access to important documents. If PHAs were to meaningfully engage in these activities and others required under 964 all year around, there would probably not be a need to try to force all of the resident participation tools into the PHA plan toolbox. However, there exist two barriers to making 964 work. One is that many housing authorities do not comply with the regulation. Two is that HUD, to date, has not promulgated a new 964 regulation to reflect the changes to resident participation rules brought about by the Quality Housing and Work Responsibility Act of 1998. One way that this committee can help increase and expand resident participation in policy setting is by urging HUD to quickly engage in a rulemaking process to revise and finalize the current 964 rule.

HOPE VI

HR 3995 proposes to expand the number and type of housing agencies able to receive HOPE VI funding by basing the scale of redevelopment work eligible for assistance on the size of the housing agency.

ENPHRONT supports a public housing revitalization program that reaches everywhere it is needed. However, even with this modification to program, we do not support HOPE VI in its current form. For a number of reasons, the organization believes that HOPE VI has hurt more than it has helped low-income residents living in public housing.

One of our primary concerns about the HOPE VI program is the lack of comprehensive and objective information revealing how the program is performing. HUD has published glossy covered publications full of pictures that examine select HOPE VI sites and select elements of HOPE VI within those sites. However, the public has yet to see any broad data on how the program is truly operating.

Of the information that has been revealed, an analysis of this information reveals very disturbing findings. One such finding is that HOPE VI has resulted in a net loss in the nation's public housing stock at a time when every single unit of public housing is needed. An analysis of figures released by HUD in 1999 show that HUD was approving plans that involved demolishing roughly 11,000 units of public housing each year. Out of these 11,000 units demolished annually, only 5,000 were being replaced each year with public housing units. Meanwhile, with thousands of units being lost each year, millions of families linger on housing agency waiting lists trying to get into public housing.

Just as disturbing, if not more, as the issue of losing valuable public housing units, are the startling figures which reveal that very few original residents of HOPE VI sites actually return to the new, revitalized communities. It is estimated that roughly 9,000 of the 11,000 units demolished each year under HOPE VI are occupied at the time that the planning for revitalization gets underway locally. Figures released by HUD in the spring of 2000 reveal that only an average of 2,000 of the 9,000 households nationwide move back into the revitalized communities. When you do the math, the end result is that roughly 7,000 households each year do not have an opportunity to return to new HOPE VI communities. ENPHRONT's contention with these figures is that HOPE VI was supposed to be about repairing broken properties and the broken lives of people living in distressed properties. However, HUD's figures reveal that HOPE VI is not benefiting those who it was truly intended to benefit. Roughly 7,000 households each year are being moved into other public housing communities, given voucher assistance or, in some cases, their whereabouts are unknown. This is a tragedy and outcome not envisioned by the National Commission on Severely Distressed Public Housing, the Congressionally-mandated body whose recommendations eventually led to the creation of HOPE VI.

Among our other concerns about HOPE VI is the fact that, in many cases, residents of affected sites are not meaningfully involved in the process of shaping the application for and implementation of HOPE VI grants. HUD recommends to housing agencies that they involve residents in the process of shaping a HOPE VI application at least one year prior to the time they apply for funding. It's been our finding, however, that housing agencies often consult with residents a few months prior to submitting an application.

The other concern is that HOPE VI feeds the problem – distressed public housing – it claims to want to get rid of. Since 1993, annual appropriations for HOPE VI have been made at the expense of providing needed increases in the public housing capital fund budget. This has occurred despite the backlog of capital needs accumulated by housing agencies. Recent estimates say that this backlog totals roughly \$20 billion.

Finally, we are concerned that HOPE VI funds are being trained on projects that are not necessarily physically or socially distressed. For this reason, we believe that any reauthorization of the HOPE VI program must seek to refocus and keep focused the goals of the program on severely distressed public housing.

There are many recommendations that ENPHRONT has regarding HOPE VI. Of them all, one of the more significant and immediate ones is that we urge Congress to hold hearings on the program in order to compel HUD to explain the full impact of HOPE VI. The hearings would also allow residents, whose lives have been fundamentally changed by HOPE VI, to tell you their stories, heart to heart, face to face.

Community Service

ENPHRONT opposes the 8-hour Community Service requirement enacted under QHWRA. We view the requirement as unjust and discriminatory against low-income persons who receive federal housing assistance. The federal government provides mortgage tax deductions and other types of housing aid to higher income families. However, these families are not required to perform community service or anything similar to it in exchange for their housing assistance.

ENPHRONT believes that if unemployed, able-bodied adults living in public housing are going to invest time in any structured activity, the activity should be a training program that will prepare them for employment. PHAs have the perfect opportunity to develop such a program utilizing Section 3 of the 1968 Housing and Community Development Act. Section 3 requires housing agencies and other recipients of federal dollars for housing and community development assistance to do all they can to create employment and training opportunities for low-income people. Though the mandate has been on the regulatory books for over 3 decades, the success of the program has been, at best, spotty.

We urge Congress and this committee to work with HUD to develop a stronger rule on Section 3, particularly around monitoring and enforcement. We believe that such an action is necessary in order for residents to secure the resources necessary to attempt to climb the housing ladder into homeownership and family self-sufficiency.

On behalf of ENPHRONT, I thank you for the opportunity to testify before the committee and look forward to working with you in the very near future.